

SENATE BILL No. 18

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-13.

Synopsis: EDGE tax credit. Allows a person who proposes a project to preserve jobs in Indiana to apply for an economic development for a growing economy (EDGE) tax credit. Allows the economic development for a growing economy board to enter into an agreement for a tax credit with an applicant whose project will preserve jobs in Indiana. Requires the board to find the existence of certain conditions before entering into an agreement with the applicant for a tax credit.

Effective: July 1, 1999.

Craycraft

January 6, 1999, read first time and referred to Committee on Planning and Economic Development.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 18

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-13-13 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. (a) The board may
3 make credit awards under this chapter to foster job creation **and**
4 **preservation** in Indiana.

5 (b) The credit shall be claimed for the taxable years specified in the
6 taxpayer's tax credit agreement.

7 SECTION 2. IC 6-3.1-13-14 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. A person that
9 proposes a project to create new jobs **or preserve jobs** in Indiana may
10 apply to the board to enter into an agreement for a tax credit under this
11 chapter. The director shall prescribe the form of the application.

12 SECTION 3. IC 6-3.1-13-15 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. (a) After receipt of
14 an application, the board may enter into an agreement with the
15 applicant for a credit under this chapter if the board determines that all
16 of the following conditions exist:

17 (1) The applicant's project will create new jobs that were not jobs



previously performed by employees of the applicant in Indiana.

(2) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana.

(3) There is at least one (1) other state, **nation, or unrelated out-of-state company** that the applicant verifies is being considered for the project.

(4) A significant disparity is identified, using best available data, in the projected costs for the applicant's project compared to the costs in the competing state **or nation**, including the impact of the competing state's **or nation's** incentive programs. The competing state's **or nation's** incentive programs shall include state, local, private, and federal funds available.

(5) The political subdivisions affected by the project have committed significant local incentives with respect to the project.

(6) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not creating new jobs in Indiana.

(7) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(8) The credit is not prohibited by section 16 of this chapter.

(b) Notwithstanding subsection (a), the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all of the following conditions exist:

(1) The applicant's project will preserve jobs performed by employees or subcontractors of the applicant in Indiana.

(2) The applicant's project is economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(3) There is at least one (1) other state, nation, or unrelated out-of-state company that the applicant verifies is being considered for the project.

(4) A significant disparity is identified, using best available data, in the projected costs for the applicant's project compared to the costs in the competing state or nation, including the impact of the competing state's or nation's incentive programs. The competing state's or nation's incentive programs shall include state, local, private, and federal funds available.

(5) The political subdivisions affected by the project have

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- 1 committed significant local incentives with respect to the
- 2 project.
- 3 (6) Receiving the tax credit is a major factor in the applicant's
- 4 decision to go forward with the project and not receiving the
- 5 tax credit will result in the applicant reducing jobs in Indiana.
- 6 (7) Awarding the tax credit will result in an overall positive
- 7 fiscal impact to the state, as certified by the budget agency
- 8 using the best available data.
- 9 (8) The credit is not prohibited by section 16 of this chapter.

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